

MEASAT GLOBAL BERHAD
(2866-T)
INCORPORATED IN MALAYSIA

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

Announcement

The Board of Directors of MEASAT Global Berhad ("MEASAT Global" or "Company") hereby announces the following unaudited consolidated results for the first quarter ended 31 March 2007.

Unaudited Condensed Consolidated Income Statements

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31.3.2007 RM'000	QUARTER ENDED 31.3.2006 RM'000	PERIOD ENDED 31.3.2007 RM'000	PERIOD ENDED 31.3.2006 RM'000
Revenue	8	41,657	34,068	41,657	34,068
Cost of services		(28,207)	(16,367)	(28,207)	(16,367)
Gross profit		13,450	17,701	13,450	17,701
Other operating income		1,191	888	1,191	888
Selling and administrative expenses		(10,223)	(11,868)	(10,223)	(11,868)
Profit from operations	8	4,418	6,721	4,418	6,721
Finance cost :					
- Interest and finance charges		(16,629)	(4,062)	(16,629)	(4,062)
- Foreign exchange translation differences		15,132	9,662	15,132	9,662
Profit from ordinary activities before taxation		2,921	12,321	2,921	12,321
Taxation	17	1,598	3,296	1,598	3,296
Profit for the financial period		4,519	15,617	4,519	15,617
Earnings per share (sen):	25				
- Basic		1.16	4.01	1.16	4.01

The unaudited condensed consolidated income statement should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2006.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

Unaudited Condensed Consolidated Balance Sheet

	AS AT 31.3.2007 (Unaudited)	AS AT 31.12.2006 (Audited)
Note	RM'000	RM'000
Non-Current Assets		
Property, Plant and Equipment	1,312,308	1,189,433
Goodwill	1,186,589	1,186,589
	<u>2,498,897</u>	<u>2,376,022</u>
Current Assets		
Trade and Other Receivables	18,167	22,726
Deposits with Licensed Banks	49,607	8,465
Cash and Bank Balances	35,762	94,369
	<u>103,536</u>	<u>125,560</u>
Current Liabilities		
Other Payables	22 58,612	55,917
Borrowings (secured and interest bearing)	21 155,655	223,154
Taxation	565	565
	<u>214,832</u>	<u>279,636</u>
Net Current Liabilities	(111,296)	(154,076)
Non-Current Liabilities		
Borrowings (secured and interest bearing)	21 578,707	484,876
Other Payable	22 226,057	157,152
Deferred Taxation	17 26,690	28,290
	<u>831,454</u>	<u>670,318</u>
	<u>1,556,147</u>	<u>1,551,628</u>
Capital and Reserves		
Share Capital	304,148	304,148
Reserves		
- Merger Reserve	554,802	554,802
- General Reserves	15,899	15,899
- Retained Earnings	681,298	676,779
	<u>1,556,147</u>	<u>1,551,628</u>
	RM	RM
Net Assets per share attributable to ordinary equity holders of the parent	<u>3.99</u>	<u>3.98</u>

The unaudited condensed consolidated balance sheet should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2006.

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Unaudited Condensed Consolidated Statement of Changes in Equity

	Issued and fully paid ordinary shares of RM0.78		Non-distributable	Distributable		Total
	Number of shares	Nominal value	Merger reserve	General reserves	Retained earnings	
	('000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Period ended 31/3/2007						
Balance as at 1 January 2007	389,933	304,148	554,802	15,899	676,779	1,551,628
-Profit for the financial period	-	-	-	-	4,519	4,519
Balance as at 31 March 2007	389,933	304,148	554,802	15,899	681,298	1,556,147
Period ended 31/3/2006						
Balance as at 1 January 2006	389,933	304,148	554,802	15,899	616,610	1,491,459
-Profit for the financial period	-	-	-	-	15,617	15,617
Balance as at 31 March 2006	389,933	304,148	554,802	15,899	632,227	1,507,076

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2006.

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Unaudited Condensed Consolidated Cash Flow Statement

	CUMULATIVE QUARTER	
	Period Ended	Period Ended
	31.3.2007	31.3.2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial period	4,519	15,617
Adjustments for :		
- Depreciation of property, plant and equipment	25,903	15,004
- Taxation	(1,598)	(3,296)
- Interest income	(669)	(443)
- Finance charges	16,629	4,062
- Unrealised foreign exchange gain	(12,975)	(9,662)
	<u>31,809</u>	<u>21,282</u>
Decrease in trade and other receivables	4,526	296
Decrease in trade and other payables	(8,414)	(6,360)
Net cash from operations	<u>27,921</u>	<u>15,218</u>
-Interest income received	702	433
-Taxes paid	(2)	(124)
Net cash flow from operating activities	<u>28,621</u>	<u>15,527</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(64,124)	(27,231)
Proceeds from disposal of property, plant and equipment	-	11
Net cash flow from investing activities	<u>(64,124)</u>	<u>(27,220)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from drawdown of borrowings	28,912	18,561
Decrease in debt service reserve accounts	23,875	164
Interest expense paid	(10,411)	(9,213)
Payment of quarterly commitment fees	(463)	(188)
Net cash flow from financing activities	<u>41,913</u>	<u>9,324</u>
Net increase/(decrease) in cash and cash equivalents	6,410	(2,369)
Cash and cash equivalents at beginning of the period	54,828	45,149
Cash and cash equivalents at end of the period	<u>61,238</u>	<u>42,780</u>
Deposits with licensed banks	49,607	13,779
Cash and bank balances	35,762	47,882
	<u>85,369</u>	<u>61,661</u>
Deposit in debt service reserve account	(24,131)	(18,881)
	<u>61,238</u>	<u>42,780</u>

The unaudited condensed consolidated cash flow statement should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2006.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2007

PART A – Explanatory Notes in Compliance with Financial Reporting Standards 134, Paragraph 16

1. Basis of preparation

The quarterly condensed interim financial report of MEASAT Global and its subsidiaries (the “Group”) has been prepared in accordance with:

- i) Financial Reporting Standards (“FRS”) 134 - Interim Financial Reporting; and
- ii) Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements.

The quarterly condensed interim financial report should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2006. The accounting policies adopted for the quarterly condensed interim financial report as at 31 March 2007 are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2006 except for the adoption of the following new and revised FRS issued by the Malaysian Accounting Standard Board that are effective for the Group for the financial period beginning 1 January 2007:

- FRS 117 Leases
- FRS 124 Related Party Disclosures

The adoption of these FRS does not have significant financial impact on the Group.

2. Qualification of preceding annual financial statements

There was no audit qualification to the preceding annual audited financial statements of the Group.

3. Seasonal / cyclical factors

The operations of the Group were not affected by seasonal or cyclical factors during the quarter under review.

4. Unusual items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the quarter under review.

5. Material changes in estimates of amounts reported

There were no changes in estimates of amounts reported in prior financial years that had a material effect in the quarter under review.

6. Movements in debt and equity securities

During the quarter under review, there were no issuances, repurchases, resale and repayments of debt and equity securities.

7. Dividends paid

There were no dividends paid during the current quarter ended 31 March 2007.

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PART A – Explanatory Notes in Compliance with Financial Reporting Standards 134, Paragraph 16

8. Segment results and reporting

The main business segment of the Group is its satellite operations. Segmental reporting for the current quarter is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/03/2007 RM'000	QUARTER ENDED 31/03/2006 RM'000	PERIOD ENDED 31/03/2007 RM'000	PERIOD ENDED 31/03/2006 RM'000
<u>Revenue</u>				
Satellite operations	41,657	34,068	41,657	34,068
<u>Segment Results</u>				
Satellite operations	3,227	5,833	3,227	5,833
Rental income	522	445	522	445
Interest income	669	443	669	443
Profit from operations	4,418	6,721	4,418	6,721

9. Valuations of property, plant and equipment

There were no revaluations of property, plant and equipment during the quarter ended 31 March 2007. As at 31 March 2007, property, plant and equipment were stated at cost less accumulated depreciation.

10. Material events subsequent to the end of the financial period

There were no material events subsequent to the end of the quarter.

11. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter.

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12. Contingent liabilities and contingent assets

On 9 April 2007, the Malaysian Communications and Multimedia Commission (“MCMC”) notified a subsidiary of the Company, MEASAT Satellite Systems Sdn. Bhd. (“MSS”), that it was required to contribute an accumulated amount of RM23.3 million to the Universal Service Provision (“USP”) Fund. MSS had on 27 April 2007 appealed against the decision of the MCMC on the requirement for MSS to contribute to the USP Fund.

The Directors are of the view that no provision for this liability was required in the balance sheet.

13. Capital commitments

Capital commitments for property, plant and equipment not provided for in the financial statements as at 31 March 2007 are as follows:

	RM’000
Approved and contracted for	137,600
Approved but not contracted for	<u>109,200</u>
	<u>246,800</u>

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**PART B – Explanatory Notes in Compliance with Listing Requirements of Bursa Malaysia Securities Berhad
Under Part A of Appendix 9B**

14. Review of Performance

(A) Review of performance of the current quarter (“1Q 2007”) against the immediate preceding quarter (“4Q 2006”).

M-3 entered service on 25 January 2007. The start of commercial operations of the satellite increased capacity of the MEASAT system by 170%, from 28 to 76 transponders. While M-3 improves the scale and underlying profitability of the Group, a lag in M-3 revenue over finance and depreciation costs associated with the satellite will impact the Group’s earnings during the initial period of operation of the satellite.

Taking note of the above, the Group recorded a profit from operations of RM4.4 million in 1Q 2007 compared to a loss of RM2.6 million in 4Q 2006. The increase of RM7.0 million in profit from operations was largely due to an increase in revenue of RM8.0 million from M-3, offset by a reduction in revenue from the existing satellites of RM0.2 million and an increase in net operating expenses of RM0.8 million. The increase in net operating expenses included additional M-3 depreciation charge of RM10.8 million offset by one-off M-3 launch related expenses of RM8.4 million in 4Q 2006 and lower unrealised foreign exchange translation losses on the USD denominated cash deposits and debtors balances of RM6.0 million.

The Group’s profit before taxation decreased from RM21.6 million in 4Q 2006 to RM2.9 million in 1Q 2007. This decrease included higher interest and finance charges of RM12.7 million related to M-3 and a lower foreign exchange translation gain on the USD denominated borrowings of RM13.4 million. As a result of the above, and taking into account the effects of a reversal in deferred taxation of RM1.6 million, the Group’s profit after taxation reduced from RM24.4 million in Q4 2006 to RM4.5 million in Q1 2007.

(B) Review of performance of the current year-to-date (“YTD 1Q 2007”) against the preceding year-to-date (“YTD 1Q 2006”).

The Group’s profit from operations decreased by RM2.3 million, from RM6.7 million for YTD 1Q 2006 to RM4.4 million for YTD 1Q 2007. The decrease was largely due to higher revenue of RM8.0 million from initial M-3 operations offset by a reduction in revenue from the existing satellites of RM0.4 million and an increase in net operating expenses of RM9.9 million. The increase in net operating expenses included the addition of a M-3 depreciation charge of RM10.8 million.

The Group’s profit before taxation decreased by RM9.4 million, from RM12.3 million for YTD 1Q 2006 to RM2.9 million for YTD 1Q 2007. This decrease included the result of higher interest and finance charges of RM12.7 million related to M-3 offset by a higher foreign exchange translation gain of RM5.5 million on the USD denominated borrowings. As a result of the above, and taking into account the effects of a reversal in deferred taxation of RM1.6 million, the Group’s profit after taxation reduced from RM15.6 million for YTD 1Q 2006 to RM4.5 million for YTD 1Q 2007.

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Under Part A of Appendix 9B**

15. Prospects relating to financial year 2007

2007 will be a transitional year for the Group with the commencement of commercial operations of the M-3 satellite and the nominal end of life of the M-1 and M-2 satellites. While the launch of M-3 will improve the underlying profitability of the Group, barring unforeseen circumstances, the Group's financial performance for 2007 will also be impacted by the end of life of the existing satellites .

16. Variance to profit forecast

Not applicable.

17. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/03/2007	QUARTER ENDED 31/03/2006	PERIOD ENDED 31/03/2007	QUARTER ENDED 31/03/2006
	RM'000	RM'000	RM'000	RM'000
<u>In respect of current period:</u>				
Malaysia income tax				
- Current	(2)	(104)	(2)	(104)
Deferred taxation				
- Current	600	3,400	600	3,400
- Effect of changes in tax rate	1,000	0	1,000	0
	1,598	3,296	1,598	3,296

The current income tax of the Group is in relation to tax charge on rental income and interest income. There is no taxation charge in respect of business income due to the utilisation of capital allowances and Investment Allowance ("IA"). The tax savings for the quarter ended 31 March 2007 arising from the utilisation of the capital allowances and IA amounted to RM8.1 million.

The deferred tax liability is in respect of a subsidiary. The subsidiary has unutilised IA estimated at RM557.0 million at the end of the current quarter, accorded by way of a tax incentive under Schedule 7B of the Income Tax Act, 1967. The IA can be utilised against future statutory business income of the subsidiary arising from its existing satellites. As a consequence thereof, the deferred taxation liability of RM26.7 million provided for in the Group as at 31 March 2007 will not materialise as the IA will be utilised against future statutory business income. Notwithstanding this, the amount of RM26.7 million has been taken up as deferred tax liability in the financial statements as FRS 112 - Income Taxes, does not allow the recognition of deferred tax benefits of IA.

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**PART B – Explanatory Notes in Compliance with Listing Requirements of Bursa Malaysia Securities Berhad
Under Part A of Appendix 9B**

18. Profit/ (loss) on sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties during the quarter under review.

19. Quoted securities

There were no quoted securities acquired or disposed during the quarter under review.

20. Status of corporate proposal announced

There were no corporate proposals announced but not completed at the date of issue of this quarterly report.

21. Borrowings

The details of the borrowings as at 31 March 2007 are as follows:

	<u>AS AT</u> <u>31/03/2007</u> <u>RM'000</u>	<u>AS AT</u> <u>31/03/2006</u> <u>RM'000</u>
<u>Current liability</u>		
Syndicated Term Loan Facilities	102,413	50,379
Export Credit Agency Loan Facility (“ECA”)	18,682	0
Bridging Loan Facility	34,560	18,430
	<u>155,655</u>	<u>68,809</u>
<u>Non current liability</u>		
Syndicated Term Loan Facilities	358,447	566,648
ECA	220,260	0
	<u>578,707</u>	<u>566,648</u>
Total	<u>734,362</u>	<u>635,457</u>

The Syndicated Term Loan Facilities and ECA represent an equivalent sum of RM726.2 million, less unamortised costs of RM26.4 million.

The Bridging Loan Facility represents an equivalent sum of RM34.6 million drawdown from the total available funding of USD10 million (approximately RM34.6 million).

The Syndicated Term Loan Facilities and ECA are secured against assets of a subsidiary and a corporate guarantee from the Company.

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**PART B – Explanatory Notes in Compliance with Listing Requirements of Bursa Malaysia Securities Berhad
Under Part A of Appendix 9B**

22. Other payables

Included in other payables are unsecured performance incentives (“PI”) of USD55.8 million (equivalent to RM192.9 million) and a deferred payment of USD12.0 million (equivalent to RM41.5 million), for M-3.

USD44.5 million (equivalent to RM153.8 million) of the PI bears interest at 7% per annum which is payable in arrears commencing 1 January 2007 and repayable in twenty four (24) equal instalments over a period of 6 years.

USD11.3 million (equivalent to RM39.1 million) of the PI bears interest at 7% per annum payable in arrears commencing 25 January 2007 and repayable in 60 equal instalments over a period of 15 years.

The deferred payment is interest free and is repayable in a single payment on 11 December 2011.

23. Off balance sheet financial instruments

The Group manages its exposure to market rate movements on its financial liability through the use of the derivative financial instruments which includes interest rate and cross currency swap agreements.

The details of the derivative financial instruments that the Group has entered into are as follows:

Off-balance sheet instruments which were entered into by a subsidiary based on the underlying liability of Syndicated Term Loan Facilities disclosed in note 21 are as follows:

a) Interest rate swap (“IRS”)

IRS agreements with a total notional principal of USD95 million to mitigate the risks of interest rate fluctuations.

b) Cross currency swap (“CCS”)

CCS agreements with total notional principal of RM130 million to hedge local currency borrowings to mitigate the foreign currency exchange risks.

All the above financial instruments were executed with creditworthy financial institutions with a view to limiting the credit risk exposure of the Group.

24. Changes in material litigation

There were no material litigation matters dealt with during the period or pending as at the date of this quarterly report.

25. Dividends

No dividends have been recommended or declared for the current quarter ended 31 March 2007.

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**PART B – Explanatory Notes in Compliance with Listing Requirements of Bursa Malaysia Securities Berhad
Under Part A of Appendix 9B**

26. Earnings per share

Basic earnings per share of the Group is calculated by dividing the profit for the financial period by the weighted average number of ordinary shares in issue during the current quarter.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/03/2007	QUARTER ENDED 31/03/2006	PERIOD ENDED 31/03/2007	PERIOD ENDED 31/03/2006
Profit for the financial period (RM'000)	4,519	15,617	4,519	15,617
Weighted average number of ordinary shares in issue ('000)	389,933	389,933	389,933	389,933
Basic earnings per share (sen)	1.16	4.01	1.16	4.01

By order of the Board

CHUA SOK MOOI
(MAICSA 0777524)
Company Secretary

30 May 2007
Kuala Lumpur